

By: Murphy

H.B. No. 2240

A BILL TO BE ENTITLED

AN ACT

relating to the payment of wages by an employer through a payroll card account.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 61.001, Labor Code, is amended by adding Subdivision (6-a) to read as follows:

(6-a) "Payroll card account" means an account that is directly or indirectly established by an employer into which each participating employee's wages, salary, or other form of compensation is deposited on a recurring basis and for which the employee receives a payroll card to access the funds in the account.

SECTION 2. Section 61.016(a), Labor Code, is amended to read as follows:

(a) An employer shall pay wages to an employee:

(1) in United States currency;

(2) by a written instrument issued by the employer that is negotiable on demand at full face value for United States currency; or

(3) by the electronic transfer of funds to:

(A) a bank account designated by the employee; or

(B) a payroll card account established by the employer.

SECTION 3. Section 61.017, Labor Code, is amended by adding Subsection (d) to read as follows:

1 (d) An employer may elect to pay wages to an employee
2 through a payroll card account plan that uses electronic funds
3 transfer to deposit wages in the employee's payroll card account.
4 An employer who desires to pay wages through a payroll card account
5 shall:

6 (1) notify each affected employee in writing that the
7 employer is adopting a payroll card account plan not later than:

8 (A) the 60th day before the date of the first
9 electronic funds transfer to the payroll card account; or

10 (B) the first day of work for an employee hired
11 after the date the employer adopts the plan;

12 (2) obtain from the employee any information required
13 by the payroll card account issuer that is necessary to implement
14 the electronic funds transfer;

15 (3) provide a complete list of all fees that may be
16 deducted from the employee's payroll card account by the employer
17 or payroll card account issuer in English, or, if the employer
18 offers a payroll card account to an employee in a language other
19 than English, in that other language; and

20 (4) provide a form the employee may use to request an
21 alternate form of payment if the employee elects to opt out of the
22 payroll card account plan.

23 SECTION 4. This Act takes effect September 1, 2019.